

OCA-0200
14 Doc. 2 of 3

CITY OF OAKLAND

Interoffice Letter

To: City Manager Attention: Henry L. Gardner Date: October 8, 1991

From: Office of Public Works

Residential Recycling Request for Proposals:
Subject: Frequency of Collection Service

At the September 24, 1991 City Council meeting staff was directed to examine the issue of the collection frequency of the residential recycling program. This report presents this information and requests Council approval for the release of the Residential Recycling Request for Proposals.

SUMMARY

It is recommended that the Residential Recycling Request for Proposals (RFP) require weekly collection service rather than every-other-week service. A weekly program will cost approximately \$0.50 more per household per month (\$1.75 vs. \$1.25). However, a weekly program will have participation rates an estimated 20 percent higher than an every-other-week program and if Measure D is validated, a weekly program will meet all of its requirements.

Attachment A summarizes the advantages and disadvantages of the two options. Attachment B provides a breakdown of the estimated cost differences. And Attachment C lists the cities in the state which currently offer residential recycling services less frequent than weekly.

ANALYSIS

There are several issues which have bearing on the determination of the optimal frequency of service for Oakland's proposed recycling program: the cost differences between the two options; the level of program convenience for residents; and the impact if Measure D is found valid.

Cost Differential

The estimated cost for the proposed weekly program ranges from \$1.50 to \$1.75 per household per month. This cost estimate was derived by estimating vehicle expense, material processing cost, recycling container cost, labor expenses, salvage revenues, participation rates, and route times. This same cost model was modified to estimate the cost of an every-other-week program. These modifications included the reduced number of households requiring service each week, the expected higher recycling bin cost, lower participation levels, and lower material salvage revenues.



The result of this analysis yielded a minimum every-other-week program cost of \$0.92 per household per month. However, there are two issues that may impact an every-other-week program's expense. They are:

- o A significant number of multi-family buildings would require weekly service due to space constraints, pushing up the average program cost by an additional 10 percent;
- o The additional public education activities which may be necessary to create and maintain program participation levels may add another 10 percent to the average cost per household per month.

These factors may add up to \$0.22 per household per month to the program cost. The difference in cost between a weekly program and an every-other-week program is estimated to be approximately \$0.50 per household per month after all the additional issues are included.

Program Convenience

The key elements of the proposed weekly program have been oriented towards making the program easy to use and accessible for residents so that participation will be maximized. These convenience elements include:

- o The commingling of materials in one bin rather than requiring residents to separate materials into different bins and make additional trips to the curb;
- o The required provision of weekly recycling service on each garbage day as opposed to other days of the week or every other garbage day, which will be more difficult to remember.

The importance of weekly, same day as garbage, recycling service in making it easier for residents to remember when to set out materials cannot be over emphasized. These convenience elements will result in less confusion and greatly reduce the number of program inquiries and ultimately, program complaints.

The impact of these convenience factors is that they create higher residential participation levels than those programs without them, resulting in greater acceptance of the program and higher diversion rates.

The typical participation level difference between weekly curbside recycling programs and every-other-week programs was estimated in a national survey to be about 15 to 20 percent. As a more extreme

example, the City of Livermore recently switched to weekly service from every-other-week, resulting in almost a doubling of resident participation. If Oakland institutes an every-other-week program, the City could attempt to raise participation by significantly increasing the budget for public education activities.

It can also be expected that an every-other-week program would collect at least 20 percent less material than a weekly program, resulting in approximately 6,000 tons of recyclable material going to the landfill annually rather than being recycled.

The recent responsibility given to municipalities to achieve specific waste diversion levels requires cities to place a priority on the provision of comprehensive recycling services. Through increased practicality and convenience to residents, a weekly program is more likely to alter residents' disposal habits. The provision of recycling service at least as frequent as garbage service will underscore the importance of recycling to the public, consistent with an integrated waste management plan which prioritizes recycling over landfill disposal.

Measure D

Measure D required that each municipality receiving monies from the Alameda County Recycling Fund provide a weekly recycling collection program to every resident by March 1993. If Measure D is found valid in that period, the City will run the risk of no longer receiving Measure D funds if it adopts an every-other-week program.

The City could implement an every-other-week program and then increase the frequency at a later date if Measure D is found to be valid. However, this option could result in contractors overly capitalizing the every-other-week program in order to reduce their risk. Additionally, if the City exercised this option, contractors would have a shorter term available to amortize the additional required equipment, raising the per unit service cost. Furthermore, this program switch would be very confusing to the public already trying to understand the elements of a new program.

CONCLUSION

The provision of a weekly program will cost up to approximately \$0.50 more per household per month than an every-other-week program. However, due to its increased convenience for residents, a weekly program will collect approximately 20 percent more material (about 6,000 tons annually). The uncertainty over the outcome of the Measure D litigation as well as the potential costs to upgrade an every-other-week program to a weekly program also

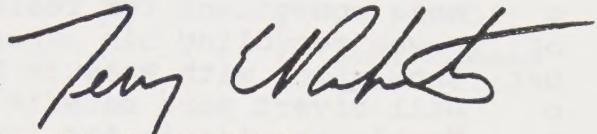
Henry L. Gardner

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places the advantage with a weekly program.

It is recommended that the program offer weekly collection to residences and that the RFP be approved for release.



TERRY E. ROBERTS
Director of Public Works

APPROVED AND FORWARDED
TO THE CITY COUNCIL

Office of the City Manager

ATTACHMENT A

PROGRAM FREQUENCY OPTIONS

1) WEEKLY COLLECTION SERVICE

PRO:

- o Higher participation levels.
- o More convenient for residents.
- o Lower recycling bin expense.
- o Consistent with Measure D.
- o Will divert more material
- o Weekly service is the industry "norm".

CON:

- o More expensive overall.
- o Requires larger initial investment by contractors, i.e., potentially reducing proposal competition.

2) EVERY-OTHER-WEEK COLLECTION SERVICE

PRO:

- o Lower cost.
- o Reduced program requirements may assist small firms ability to prepare competitive proposals.

CON:

- o Lower participation levels.
- o Less convenient for residents.
- o City will receive significant number of missed pick-up complaint calls and calls requesting collection schedules because of the confusion in collection day.
- o Will divert less material.
- o Multi-family buildings may not be able to participate or may require more frequent service due to space constraints.
- o Inconsistent with Measure D (if found valid).
- o Will require additional recycling container investment.
- o Upgrading to weekly will result in over-investment in recycling containers by the City.
- o A missed collection results in 4 weeks without collection - recyclables will likely get thrown away.

ATTACHMENT B

PROGRAM FREQUENCY COST DIFFERENTIAL ESTIMATES

Weekly Service:

Bin Cost:	\$0.11
Salvage Revenue:	(0.52)
All else:	<u>1.91 - 2.16</u>
Net Cost:	1.50 - 1.75

Every-Other-Week Service:

Bin Cost:	\$0.22
Salvage Revenue:	(0.43)
Additional Pub.Ed. Activities: . .	0.00 - 0.10
Allowance for more frequent multi-family building service: . .	0.00 - 0.12
All Else:	<u>1.13 - 1.28</u>
Net Cost:	0.92 - 1.29

Note:

All figures are in dollars per household per month.

ATTACHMENT C

Selected California Cities with Weekly Programs

<u>CITY</u>	<u>PROGRAM FREQUENCY</u>
Los Angeles	Weekly
San Diego	Weekly
San Jose	Weekly
San Francisco	Weekly
Sacramento	Weekly
Fresno	Weekly
Anaheim	Weekly
Irvine	Weekly
Fremont	Weekly
Hayward	Weekly
Alameda	Weekly
Union City	Weekly
Piedmont	Weekly
Berkeley	Weekly

Additionally, there are approximately 144 other weekly programs in the State.

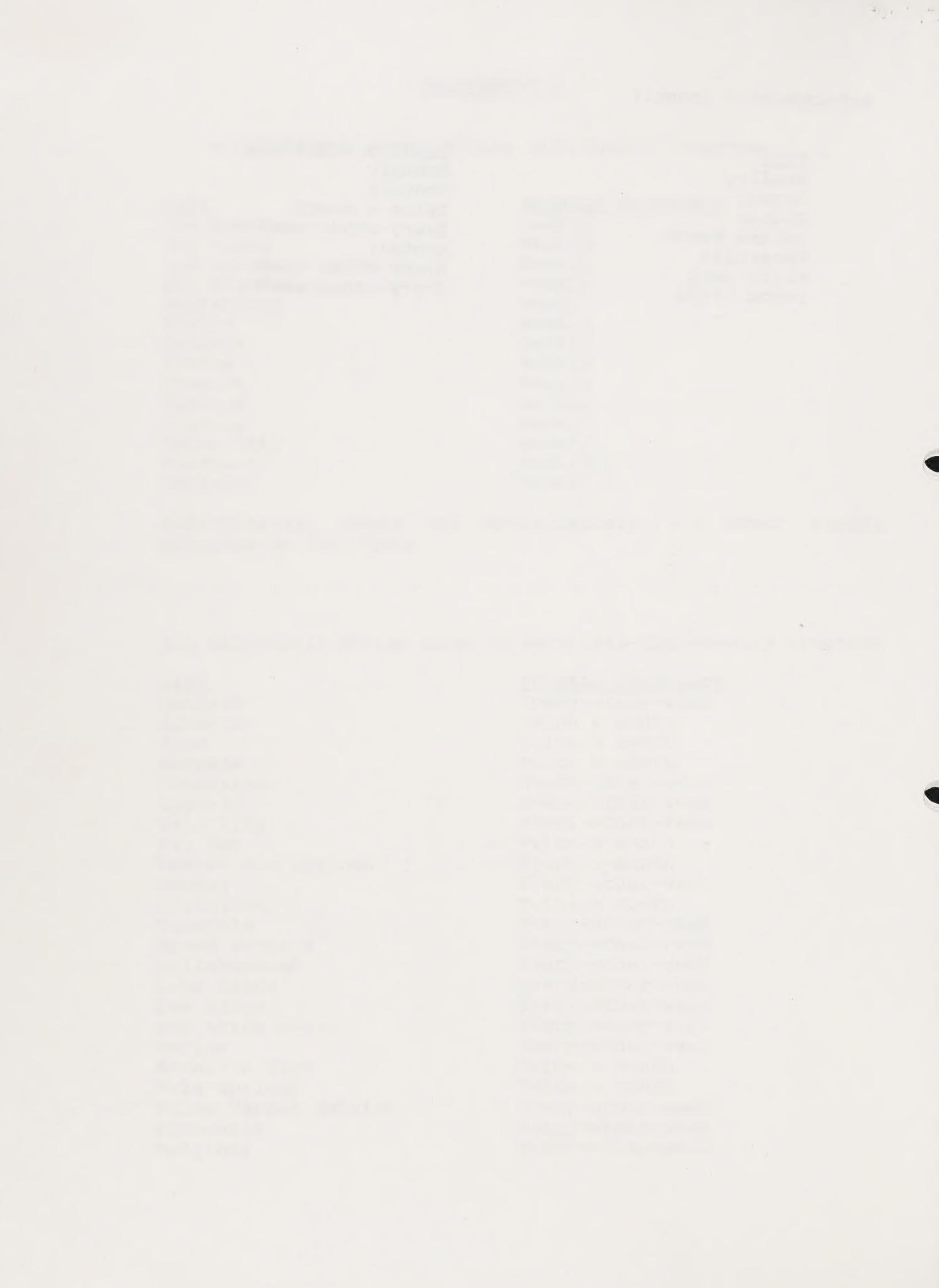
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All California Cities Known to have Less-Than-Weekly Programs

<u>CITY</u>	<u>PROGRAM FREQUENCY</u>
Antioch	Every-other-week
Atherton	Twice a month
Brea	Twice a month
Burbank	Twice a month
Cupertino	Every-other-week
Cypress	Every-other-week
Daly City	Every-other-week
Del Mar	Twice a month
Desert Hot Springs	Twice a month
Downey	Every-other-week
Elcinitas	Twice a month
Glendale	Every-other-week
Grand Terrace	Every-other-week
Hillsborough	Every-other-week
Loma Linda	Every-other-week
Los Altos	Every-other-week
Los Altos Hills	Every-other-week
Marina	Every-other-week
Mountain View	Twice a month
Palm Springs	Twice a month
Palos Verdes Estates	Every-other-week
Placentia	Every-other-week
Redlands	Every-other-week

Attachment C (cont.)

<u>CITY</u>	<u>PROGRAM FREQUENCY</u>
Reedley	Monthly
Sanger	Monthly
Santee	Twice a month
Solana Beach	Every-other-week
Vacaville	Monthly
Villa Park	Every-other-week
Yorba Linda	Every-other-week



10/09/91
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CITY OF OAKLAND

Interoffice Letter

To: City Manager Attention: Henry L. Gardner Date: September 17, 1991

From: Office of Public Works

Residential Recycling Request for Proposals:

Subject: Remaining Issues

On August 1, 1991, the City Council held a special meeting to discuss the Residential Recycling Collection Service Request for Proposals. This report summarizes the analysis of issues raised by Council at the special meeting, and makes recommendations concerning provisions of the Request for Proposals (RFP).

RECOMMENDATIONS

It is recommended that the City Council give approval for the issuance of the Residential Recycling RFP and approve the following policy directions:

1. Centralized Processing/Marketing of Oakland's Residential Recyclables.
 - Include language in the RFP giving the City control over the flow of processed material for market development purposes.
 - Direct staff to submit an application for Market Development Zone status to the State.
 - Do not require centralized processing/marketing at this time. This can be done at a later date, if feasible, since the City retains control of the wastestream.
2. Contract Term. Use a five year contract term with options to extend a maximum of four years (nine year total contract) if it benefits the City.
3. The Creation of Incentives for Residents to Participate in the Program.
 - Consider banning the disposal of certain recyclable materials (newspaper and glass and metal containers) six months after program start;
 - Use promotion of the 20 gallon mini-can and variable garbage rates to provide intermediate term incentives to participate in the recycling program.
4. The Net Impact on Jobs. No policy action required - status report only.

5. The Impacts and Options of the Prevailing Wage Requirement. Include in the RFP a prevailing wage standard based on the State's advisory wage.
6. Consideration of Larger Single-Family Recycling Bins. Amend the RFP to specify a bin of approximately 18 gallons of volume for single-family recycling rather than 14 gallons of volume.
7. Collection of Household Hazardous Waste Program. Proceed with the one-day household hazardous waste (HHW) drop-off event planned for Spring 1992. Continue to work with the County on siting a HHW drop-off location for residents. Refer additional program alternatives to the Waste Reduction and Recycling Commission.

BACKGROUND

The Residential Recycling Program (the Program) will be the City's first institutionalized citywide recycling program and is the result of the State's waste diversion mandates. The framework of the Program was developed by the City's Waste Reduction and Recycling Commission and the subsequent RFP was drafted by the Office of Public Works. This program is meant to fulfill the City's intermediate-term waste reduction and recycling goals and to provide a springboard for the City's long-term programs.

The City Council first received the proposed residential recycling service parameters at a special meeting held on August 1, 1991. At that time, Council received a staff report summarizing the key provisions of the Residential Recycling Request for Proposals.

ANALYSIS

The analysis of the seven main issues raised by the Council is as follows:

1. Centralized Processing/Marketing of Oakland's Residential Recyclables. The issue of having a centralized processing/marketing operation for the City's residential recyclables has been raised as it may provide for economies of scale for processing and marketing the recycled material, prevent the collection contractors from being exposed to market risk, and provide the City with market development opportunities.

Economies of Scale

By centralizing the processing/marketing of materials it has been suggested that the City could save money through processing and marketing economies of scale. While this sounds feasible, it likely would not be achievable. A recent

national survey of facilities that process materials from curbside programs gives little evidence of economies of scale. The survey found that planned small facilities had an average capital cost (on a cost/ton of daily capacity basis) of approximately 10 percent less than large planned facilities. On an operational basis, the smaller processing facilities have a slightly higher cost per ton than larger facilities due to a larger proportion of labor costs. Attachment A provides the cost estimates for small and large material processing facilities.

Discussions with area secondary material brokers indicate that increased volumes of material do allow reduced per unit transaction costs (such as customs' documentation); however, there is no significant impact to actual salvage value of the material.

Risk Reduction

By removing processing/marketing responsibilities from collection contractors, the risk caused by volatile secondary material markets is removed from these contractors and transferred to the processor/marketer or the City. There are other mechanisms which can reduce or remove the collection contractor's risk if processing/marketing remains under their purview.

The RFP, as it is written, includes two risk/profit sharing options to proposers. The first option is based upon the market prices of the collected materials. When the market price rises or falls beyond certain levels the City and the contractors will share in the profit or loss. The second option that is included in the RFP is to allow proposers to devise their own risk/profit sharing mechanism. This system gives proposers an opportunity to decide how much risk they are willing to be exposed to, and it gives the City several options to choose from.

Market Development

The remaining benefits of centralized materials processing and marketing are the market development opportunities that would be available to the City. The primary objective of a market development strategy should be to provide the critical infrastructure necessary to guarantee long-term stable markets for Oakland's recyclables. If the City desires to make a serious commitment to market development, control over the material flow from the residential program is an important first step in luring new, material end-users into the City. The long-term dedication (i.e., flow control) of material must be combined with other market development activities.

One program element which may have bearing is the City's participation in the State's Market Development Zone (MDZ) Program. To apply for MDZ status, the City will be required to undertake a considerable amount of detailed analysis. If

the City does receive MDZ status, however, low-interest loans, tax credits, research and development grants and other state or local assistance would be available to businesses within the "zone" which use recycled material in their production process.

The immediate issue for the City is how to achieve flow control of the City's recyclable material. Attachment B outlines several options available to the City on how to achieve "flow control".

Based on review of the options in Attachment B, it is recommended that the RFP be amended to include language allowing the City to direct material (up to specific limits) to material end-users for market development purposes. This will allow the City to accrue the financial benefits of a competitive procurement process and maintain the City's schedule for Program implementation.

2. Contract Term. The contract length of the residential recycling contracts will closely correlate to the program's cost. For example, the use of a three year term could increase the Program cost by as much as 10 to 20 percent due to the shorter amortization period available to finance equipment and facilities.

Besides financial reasons, the other primary advantage of a five year contract term is that the City's long-term waste reduction and recycling programs will be ready to be implemented at that time. In order to meet the City's waste diversion goals, these long-term programs are likely to include dedication of portions of both the residential and commercial waste streams to capital intensive facilities, such as a local or regional material recovery facility and a regional composting facility, coupled with the implementation of collection systems that maximize recovery from these facilities.

It is also noted that provisions to allow flexibility in the recycling contracts will be delineated during the contract negotiation process. This may include provisions to expand the types of materials collected, use different collection methods, or perhaps to allow the City to "buy down" the contract term at a pre-determined cost. The introduction of language in the RFP allowing changes in the contract parameters during the life of the contract would complicate the evaluation process and increase the likelihood of contention of one or all contract awards.

The City will retain the ability to terminate a contract if a contractor defaults in his/her performance obligations under the terms of the agreements. Examples of contract defaults which could lead to contract termination are: consistent high rates of missed pick-ups; inaccurate or false reports; or non-provision of service.

The City has included language in the RFP stating that the City may approve up to three extensions of any one contract. These extensions would be available for two year periods. Extensions will only be awarded to contractors who provide exceptional service and if the Program's extension is consistent with the City's waste reduction plan at that time. The City will evaluate all contractors on an annual basis and use these evaluations when making contract extension determinations.

It is recommended that RFP be amended to state that the City may approve up to two, rather than three, contract extensions of two years. The City will solicit proposals with a five year contract term, two options to extend, and an option to terminate based on deficient performance.

3. The Creation of Incentives for Residents to Participate in the Program. There are a substantial number of options available to the City to increase participation in the Program. Most of these options are complimentary or supplementary to each other. These incentives are:

Garbage Rates

The City already has one of the most effective incentives to recycle already in place. The recent introduction of the 20 gallon "mini-can" at a discounted rate greatly increases the financial incentives available to residents to recycle and save money. In addition, the City's variable garbage rate structure makes successive garbage cans more expensive, on a per unit basis, than the first can. As it becomes more expensive to use garbage service, either through level rate increases or through Council action making the rate structure more progressive, (i.e., additional cans cost progressively more than the preceding can) it becomes increasingly financially attractive to residents to reduce, reuse, and recycle their materials rather than dispose of it in the garbage.

Variable garbage rates supplemented with vigorous public educational materials may produce the same increase in participation rates and diversion levels in Oakland as it has had in other municipalities. It is recommended that the City aggressively promote the use of the mini-can concurrent to the start of the residential recycling program and on an ongoing basis. It is also recommended that further use of variable garbage rates (i.e., making garbage service progressively more costly) be considered in future rate reviews.

Mandatory Recycling

An increasingly common approach by cities and states is the use of mandatory recycling ordinances to increase recycling participation. This has proven particularly effective in parts of the Northeast where landfill space is at an

absolute premium. The most common method to mandate recycling has been to require separation of specific recyclables, such as newspaper and certain glass, metal and plastic containers, from a household's garbage. In the West, the favored ordinance type has been disposal bans on common recyclables. Attachment C lists the jurisdictions which are known to have mandatory recycling ordinances.

To maximize its effectiveness, mandatory recycling may require substantial enforcement activities. The most common enforcement activity by other municipalities has been the inspection of residents' garbage for recyclables. This has raised invasion of privacy concerns and has been subject to litigation in the State of New Jersey. For Oakland, it is anticipated that the level and expense of enforcement activities could range up to the expense of several enforcement officers and would be dependent on the ease in which the ordinance can be enforced (e.g., backyard vs. curbside garbage service).

It is difficult to ascertain the probable impact on the residential waste diversion by the enactment of a mandatory recycling ordinance in Oakland; however, even without significant enforcement activities, a mandatory recycling ordinance may provide an effective means in expanding participation levels and hence, recovery levels. If the City chooses to pursue mandatory recycling, the City may either initiate it at, or near, the implementation of the Program or initiate it during the life in the Program. If the City chooses immediate implementation, proposers must be made aware of the City's intent in the RFP, as a mandatory program could significantly affect their tonnage projections and cost estimates. Attachment D lists the pros and cons of these two options.

It is recommended that the City consider implementing a mandatory recycling ordinance six months after Program start. This will allow residents a period to become familiar with the Program before it is mandatory, yet still allows the City to combine mandatory recycling information with activities and education materials at Program start. If directed by Council, OPW and the City's Waste Reduction and Recycling Commission will develop recommendations for a draft mandatory recycling ordinance and proposed enforcement activities.

Incentives

Incentives to increase participation are another common technique. These often include bonuses (e.g., free garbage service for a specific period of time, a cash bonus, or prizes) given to residents who recycle all materials collected in the Program; a block leader program where each neighborhood or block has a volunteer to encourage and assist residents to recycle; payments made to schools from the salvage value of the materials allocated on the basis of each school district's participation in the recycling program; and peer pressure techniques

such as publishing neighborhoods which have high or low participation levels. These techniques may be used if it is believed that they will be effective in increasing participation of the Program. These determinations should be made prior to contract approval.

Recycling Rebates

One method to potentially increase participation is the use of a rebate system for recycling. The recycling rebate would be dependent upon some measure of the level of recycling. This would give households a secondary financial incentive to recycle (the primary incentive being reduced garbage service required). This type of incentive generally requires the City to receive the material salvage revenues and have control and flexibility over the bill mechanism. The financial incentives of this system are minimal (likely less than \$0.20 per household per month). It is not recommended that this incentive be used at this time.

4. The Impact on Jobs. There is strong evidence that recycling material creates more jobs than the collection and disposal of the same amount of material. There are two ways the total impact of the Program to the City can be considered. One is the net job impact. A second way that the total impact can be assessed is the net change in payroll, the difference between the value of the new lower paying recycling jobs and the lost garbage jobs. Using both criteria the net impact is overwhelmingly positive. Table 1 provides the estimated job loss and creation figures as a result of the Program.

TABLE 1

RESIDENTIAL RECYCLING PROGRAM: ESTIMATED JOB IMPACTS		
Job Class	Recycling Jobs Created	Garbage Jobs Lost
Drivers	20 to 30	up to 5
Driver's Helpers	0	up to 10
Material Processors	up to 30	0
Managerial/Administrative	8 to 16	0
Long-haul Drivers	0	0 to 1
Transfer Station Workers	0	0
Landfill Workers	0	0

The negative impact on jobs at the Oakland Scavenger Company (OSC) was roughly estimated due to the limited garbage data (routing information, tonnages, etc.) which OSC has provided the City. While the program will divert up to five or six percent from the total waste stream, one point which must be remembered is that a reduction in tonnage does not have a direct correspondence to a reduction in the need for garbage trucks and workers. This is

true because other factors, such as routing, backyard service, and type of vehicle play a significant part in determining the garbage system's vehicle and labor requirements.

OPW staff discussed potential job impacts with a representative of Local 70, Brotherhood of Teamsters, and with OSC representatives. As a result of these discussions, staff has determined that other changes in the solid waste system, such as the switch to curbside garbage collection, could have a more significant impact on OSC employment levels than the proposed recycling program.

The number of jobs created by the Program was estimated based on the number of households, average participation rates, and using average labor requirements for the processing and managerial requirements. Additional jobs that may be created, such as material end-users, material brokers, and shippers, were not included in the estimate.

5. The Options and Impacts of the Prevailing Wage Requirement. Prevailing wages are required for public works contracts. Since recycling services do not fall under these sections it is possible for the City to not require prevailing wages for these contracts. If the City were to do this, small, non-unionized recycling firms may be at a competitive advantage as their operating costs are lower due to the lower wages paid to their employees (in some instances).

By requiring a prevailing wage standard, the City risks the possibility of creating two-tier wage structures for successful non-unionized recyclers. This could cause labor problems for those firms potentially impacting the quality of service provided to the City. However, including a wage standard will help create a level playing field for proposers (by putting all firms' employees on an equal wage basis), benefit the City during the proposal evaluation process, and reduce the friction that may occur between union and non-union firms during the contracts award process. It is estimated that a prevailing wage standard will increase the Program's cost by 5 to 10 percent.

If the City desires to include a wage requirement in the RFP, the City's options are to use the State's wage classifications for recycling workers, or to directly reference the Teamster's wage scale as the required wage scale for Contractors.

The State makes a prevailing wage determination on the basis of:

- collective bargaining agreements in the area;
- the federal rates paid for the job classification as listed in the Federal Register (if applicable);

- data collection such as: type of work; classifications of workers; geographical area of project; nearest labor market area; mobility of craft, classification, or type of worker needed for project; number of workers in craft or job classification; industry practice; and, size (dollar amount) of project.

The State recently prepared "advisory wage and benefit rates" for recycling workers in Alameda County. These rates directly parallel the Teamster's agreement with the Oakland Scavenger Company for recycling workers. The rates are as follows:

<u>Job Classification</u>	<u>Basic straight-time hourly rate (effective 1/1/92)</u>
Recycling Driver	\$10.00
Recycling Helper	9.75
Material Handler	8.00

Health/Welfare: \$2.60 per hour (effective 10/1/91)

Pension: \$0.05 per hour for the first 3 years of service; \$0.30 per hour after 3 years; \$0.41 per hour after 5 years.

It is recommended that the RFP include the State's "Advisory Wages" for recycling workers in Alameda County as the Program's wage and benefit rate minimum. All residential recycling contracts will be required to pay, at a minimum, the State's advisory wages and benefits and when established, the prevailing wage rates provided by the State.

6. Consideration of Larger Single-Family Recycling Bins. The original recommendation was to provide single-family residents with a 14 gallon bin for containers and require newspaper and mixed paper be separately bagged or bundled. A 14 gallon bin would provide adequate capacity in a weekly program for the vast majority of households. Alternatively, the City may specify a larger bin size for containers and/or specify an additional bin for newspaper and mixed paper. It is recommended that the bin size should be increased to 18 gallons based on the following factors:

- Implementation of mandatory recycling would generate increased volumes of materials from households;
- An 18 gallon bin will provide additional volume at only slightly more expense than a 14 gallon bin (less than \$0.01 per month per household);
- The provision of a second bin would add approximately \$0.10/household/month to the program cost. By limiting the bin investment for this Program, the City will increase its options available for the City's long-term recycling programs.

Other options available to the City, such as continuing to specify a 14 gallon bin or the provision for a second bin, are also discussed in Attachment E.

It is recommended that the RFP be amended to specify single-family recycling bins of 18 gallons of volume in size.

7. The Collection of Household Hazardous Waste. Staff is planning a one-day HHW drop-off event to be held in the Spring of 1992. This event and its funding was approved by Council during the garbage rate review process. The County is also currently working on siting a centrally located HHW drop-off facility in Oakland. If completed, this site, one of three to be sited in the County, is projected to open February, 1993. It will provide Oakland residents with a safe collection and disposal alternative. Additionally, the Waste Reduction and Recycling Commission will investigate the need for separate battery, oil, and paint recycling events as well as additional drop-off sites, mobile collection alternatives, and public education.

FISCAL IMPLICATIONS

The recent court ruling invalidating Measure D may affect the Program's immediate funding sources. However, since Measure D was not going to cover the full Program cost, staff was already investigating alternative sources for the full funding of the Program.

- Use of an AB 939 fee. The City may introduce an "AB 939" fee or "Recycling Charge" to recover recycling program expenses. This fee could be placed either on the garbage bills, replacing the Measure D fee, or on the County tax bill.
- Increase of the City's garbage franchise fee. The City currently receives a 6.5 percent franchise fee from OSC. The City may increase the franchise fee rate by ordinance and by providing OSC with ninety days notice.

Regardless which option is chosen, fees to residents will need to be levied to pay for the Program. The Office of Public Works, Office of Finance, and City Attorney's Office will determine if any contingency measures are needed to replace anticipated Measure D funds. Without Measure D, the total fee impact of the Program to residents may actually be diminished due to Measure D's phased decline in allocation of funds to cities from the County level.

The fiscal impacts of the recommended RFP amendments are limited to enforcement and informational activities associated with mandatory recycling, the increased labor expense associated with a prevailing wage standard (estimated to increase the Program's expense by 5 to 10 percent), and to the increase in the single-family recycling bin size (estimated to add about \$0.01 per household per month).

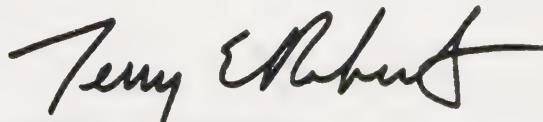
Allowing the City to have control over the processed material will have little or no fiscal impact. It is estimated that the residential recycling program will cost a typical single-family home between \$1.50 and \$1.75 per month.

SUMMARY AND CONCLUSION

It is recommended that:

- The RFP include language allowing the City to direct processed recyclables to specific end-users for market development purposes;
- Staff be directed to submit a Market Development Zone application to the State;
- The RFP be amended to allow for two contract extensions;
- The City consider enacting a mandatory recycling ordinance to take effect six months after Program start;
- The City actively promote the 20 gallon mini-can during Program implementation and consider further use of the variable garbage rate structure to provide recycling incentives;
- The City use the State's advisory wage as the wage standard for residential recycling contracts.
- The RFP be amended to specify an 18 gallon recycling bin for single-family households.

It is recommended that Council approve the RFP as amended and direct staff to issue the RFP in October, 1991, in order that the Program may be initiated by Fall, 1992.



TERRY E. ROBERTS
Director of Public Works

APPROVED AND FORWARDED
TO THE CITY COUNCIL

ATTACHMENT A

EFFECT OF SIZE ON THE ESTIMATED CAPITAL AND OPERATIONAL COSTS OF PLANNED MATERIAL PROCESSING FACILITIES

Capacity	Cost/Ton of Daily Capacity	
	Ave. Capital cost	Ave. Operating Cost
50 Tons/Day (TPD) or less	\$36,000	\$43.82*
50 TPD to 100 TPD	\$32,462	\$43.82*
100 TPD to 200 TPD	\$39,494	\$40.23

* \$43.82 was estimated for processing facilities with a capacity of 100 TPD or less.

Note: Oakland's residential recycling program will generate approximately 140 TPD, or about 35 TPD per geographic sector.

Survey information taken from *Sorting the Mix at Materials Recovery Facilities*. Biocycle, July 1991, p. 30.

ATTACHMENT B

OPTIONS AVAILABLE TO THE CITY TO CENTRALIZE THE PROCESSING/MARKETING OF RECYCLABLES.

1.) Directly negotiating with a processor for citywide processing/marketing services:

- The City will very likely pay more for the services than if it were procured by a competitive process;
- There is currently only one facility in the City which may be able to handle this volume of material and this would place near monopoly power with the processor/marketer during a negotiation process;
- This may provide some diminution of competition for the collection services RFP as some potential proposer's collection method may require, or benefit from, specific processing technologies or methods;
- Would result in a delay of Program implementation by several months;
- May result in additional 'off-route' miles by the collection contractors resulting in higher costs if the facility is not centrally located;
- Would put the City into the position to act as a "mediator" of disputes between collection contractors and the processing/marketing contractor over material collection and processing methods and standards. For example, a collection contractor will have little incentive to minimize contaminants in the collected material, resulting in increased expenses for the processing/marketing contractor who must separate the material and dispose of the contaminants.

2.) Issue a RFP for processing/marketing and direct all collection contractors to that site:

- This option would require the issuance and contract award of processing/marketing before the issuance of the collection RFP, thereby postponing the Program by a minimum of six months;
- The centralized processing facility may not utilize technology consistent with the City's long-term residential recycling plan. For example, if a new site is developed for the Program, it will likely not have the appropriate technology nor capacity to perform more complex material processing likely to be required in the future;
- City would become the "mediator" of disputes between collection contractors and the processing/marketing contractor.

3.) Encourage successful collection proposers to form a "marketing cooperative" during the contract negotiation period:

ATTACHMENT B (cont.)

- The creation of a marketing cooperative by the collection contractors may be a realistic option to provide centralized marketing as well as offer the City the financial advantages of keeping processing/marketing within the realm of competitive procured prices;
- Cooperative marketing may naturally occur if all collection contractors subcontract out processing to one processing facility;
- If collection contractors use different processing facilities, a cooperative agreement will be more problematic as different collection methods and processing standards yield different grades of material thereby potentially negating any marketing leverage that could result.

4.) Include language in the collection RFP to allow City to direct processed material to specific end-users for market development purposes:

- The City of San Francisco has similar language in its curbside recycling contract, but has not exercised the provision to date.
- Allows the City to maintain its timeline for Program implementation;
- Provides the City with some control over the processed material flow;
- Reduced administrative burden of the City;
- Gives the City an opportunity to assess all options before entering into any long term contracts or programs.

5.) Include language in the RFP allowing the City to "buy-back" processing and marketing responsibilities mid-contract from the collection contractors:

- The costs of the "buy-back" may be expensive as uncertainty and risk are increased to proposers and the City would be required to pay for the shorter equipment amortization schedule if it excercised the "buy-back" option;
- May allow the City to maintain the Program's schedule yet gain control of processing/marketing (via a competitive procurement process) on a realistic timeline.

6.) Do nothing:

- May provide the most competition for the RFP, as it allows the proposers to decide what the 'correct' collection and processing standards are, and where to market his/her material;
- Allows the City to proceed on its timeline for Program implementation;
- Will keep the City from being a mediator of disputes between collection contractors and processors/marketers.

ATTACHMENT C

JURISDICTIONS WHICH HAVE ENACTED MANDATORY RECYCLING ORDINANCES*

<u>JURISDICTION</u>	<u>TYPE OF ORDINANCE</u>
Walnut, CA	Bans disposal of recyclables
Scotts Valley, CA	Bans disposal of recyclables
Daly City, CA	Requires the "Authorized Recycling Agent" to provide recycling service to "all persons, residences, businesses, and institutions."
San Diego County, CA	Bans disposal of recyclables from residential, commercial, and industrial garbage generators (phased-in)
Riverside County, CA	Requires haulers in unincorporated areas to offer recycling service to all garbage generators (phased-in over 2 and 1/2 years)
Seattle, WA	Bans disposal of yard waste
New York City, NY	Requires separation of recyclables
Newark, NJ	Requires separation of recyclables
Jersey City, NJ	Requires separation of recyclables
Clifton, NJ	Requires Commercial and Institutional garbage generators to source separate and provide annual recycling documentation
Trenton, N.J.	Requires separation of recyclables
East Providence, R.I.	Requires separation of recyclables
East Greenwich, R.I.	Requires separation of recyclables
Warwick, R.I.	Bans disposal of recyclables
Ithaca, N.Y.	Requires separation of recyclables
Oyster Bay, N.Y.	Requires separation of recyclables
Hamburg, N.Y.	Requires separation of recyclables
Brookhaven, NY	Requires separation of recyclables
Islip, NY	Requires separation of recyclables
New London, CT	Requires separation of recyclables
Wilton, NH	Requires separation of recyclables
Brunswick, ME	Requires curbside recycling participation
Albany, WI	Requires separation of recyclables

* It is believed that there are numerous other jurisdictions on the East Coast, primarily in R.I., CT., N.Y., and N.J., which have mandated recycling.

ATTACHMENT D

MANDATORY RECYCLING OPTIONS

Require mandatory recycling at, or near, Program implementation:

PRO:

- Maximum residential participation and diversion rates may be reached;
- Public education activities and material may be leveraged;
- Oakland will set an "example" for the West Coast;

CON:

- Timeline may preclude ordinance information from being included in the RFP (i.e., creates uncertainty for proposers);
 - Will incur expense for enforcement;
 - Public opposition.
-

Enact a mandatory recycling ordinance during the life of the residential recycling contract:

PRO:

- Allows residents an opportunity to get familiar and use to recycling before it is mandated;
- May reduce uncertainty for proposers;

CON:

- Will limit participation and diversion rates;
- Will lose an opportunity to maximize the effectiveness of initial public education activities and material;
- Public opposition.

ATTACHMENT E

RECYCLING BIN SIZE OPTIONS

I. Specify a single recycling bin of 18 gallons in volume for single-family households:

PRO:

- The 18 gallon size is consistent with the volume requirements with mandatory recycling;
- May allow other materials to be added in the future;

CON:

- The larger bin size will add approximately \$0.01 per month per single-family household (less than 1% increase) to the Program cost;
 - Takes up more space in the home and at the curb;
-

II. Continue to specify a single recycling bin of 14 gallons in volume:

PRO:

- Lowest cost option;
- Size may encourage regular weekly participation;
- Requires minimal space in the home and at the curb;

CON:

- Size may be insufficient with mandatory recycling;
 - Size may be insufficient for large families;
 - Size may be insufficient if other materials are added to the program in the future, e.g., mixed plastics.
-

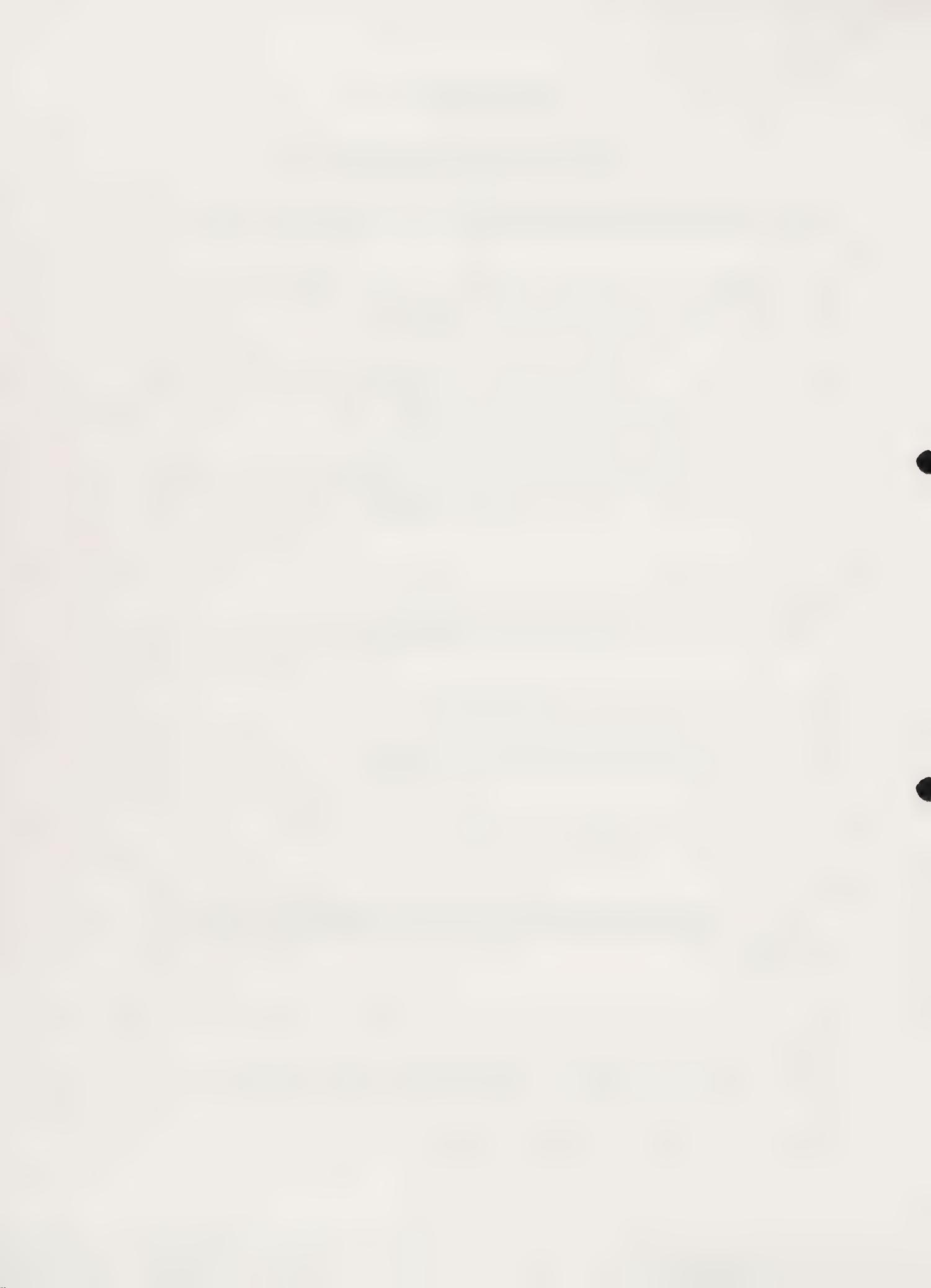
III. Specify a second container for mixed paper and/or newspaper:

PRO:

- Generous amount of volume; adequate for almost all families;
- A second bin dedicated to mixed paper and/or newspaper may increase participation;

CON:

- Adds approximately \$0.10 per month per household (about 6% increase) to the program cost;
- An open-top second container for paper may create increased litter;
- Some residents may find that a second container is inconvenient (e.g., two trips to the curb);
- Takes up more space in the home and at the curb.



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CITY OF OAKLAND

Interoffice Letter

14

000-1000

To: City Manager Attention: Henry L. Gardner Date: August 1, 1991

From: Office of Public Works

Subject: Residential Recycling Collection Service Request For Proposals

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SUMMARY

In May, 1989, the Oakland City Council resolved for the City to pursue expanded recycling opportunities for residents and businesses and to adopt a comprehensive solid waste reduction strategy. A citizens' Waste Reduction and Recycling Commission (the Commission) was appointed in March, 1990 to advise the City Council and staff on all related policies and programs.

The first task has been to develop a residential recycling program and the related Request for Proposal (RFP). That task has now been completed by the Commission and staff. It is recommended that the Council approve the RFP and authorize its release.

BACKGROUND

The City must meet the goals mandated under the California Integrated Waste Management Act of 1989 (AB 939) for waste diversion from landfills of 25% by the year 1995 and 50% by the year 2000. In addition, the Alameda County Source Reduction and Recycling Act (Measure D) requires the provision of weekly recyclables collection service to every residential household by March, 1993, if the City is to continue receiving Measure D funds.

Therefore, consistent with both state and local goals and timelines, implementation of a residential recycling collection service is the first phase of the comprehensive waste reduction and recycling strategy. The Commission adopted its "Final Recommendations for Residential Recycling" on June 13, 1991 after a period of research, discussion, and public review.

A public hearing was held on May 23, 1990, to receive the comments and concerns of citizens. Many residents voiced strong support for recycling services and residents' concerns were subsequently incorporated in the Commission's recommendations.

A draft RFP has been developed by the Office of Public Works and approved by the Commission. Attachment A provides a summary of the provisions of the RFP.

On July 11, 1991, the Commission adopted the following recommendations concerning the Residential Recycling Collection Service RFP:

The Commission supports the operational characteristics of the Program as presented in the proposed RFP and recommends that the program and RFP be adopted by the City Council. In addition, the Commission recommends that the Council consider the possible positive and negative implications of including a prevailing wage provision in the RFP and subsequent contracts.

Staff proposes to issue the RFP no later than September 4, 1991 to expedite the start of service by July 1, 1992. The duration of proposed contracts would be five years. Consistent with the recommendations of the Commission, further assessment of optimal collection and processing systems to reach the waste diversion goal of 50% by the year 2000 will be conducted by staff and the Commission. This assessment will include the feasibility of siting a major materials processing facility for both commercial and residential waste, and optimal collection systems for the recovery of yard waste and greater quantities of recyclables.

Program Timeline

The earlier residential recycling services can commence for the City's residents, the better the opportunity the City has for achieving the stringent waste diversion mandates of AB 939 and the timeline required by the Alameda County Source Reduction and Recycling Act. A compressed timeline has been developed to initiate residential recycling by July 1, 1992. The milestones of this timeline are as follows:

- | | |
|--------------------------|---|
| o September 4, 1991 | Issue Residential Recycling RFP |
| o November 11, 1991 | Proposals due from Proposers |
| o December 10, 1991 | Staff makes Recommendations to City Council |
| o February, 1992 | Council awards contracts |
| o July 1, 1992 | Residential Recycling Services Begin |

To meet the start-up date of July 1, 1992, only a minimal amount of delays can occur.

Program Description and RFP Overview

The Residential Recycling RFP essentially defines two different, but comparable, weekly recycling programs; one for detached single-family homes (residential dwellings of four units or less), and the other for multi-family complexes (residential dwellings of five-units or more).

Approximately 88,286 single-family homes will be issued a container of approximately 14 gallons in volume to place all of their recyclables except newspaper and, possibly, mixed paper. Newspaper and other paper will be placed either in bags, bundled, or at proposer's option, be placed in a separate container. Households will place these containers at the curb or street-side on their day of collection.

Multi-family complexes (comprising approximately 51,260 households) will be provided sets of centralized collection containers with their sizes dependent upon the size of complex, available space, and participation of the residents. Typically, in other jurisdictions, large apartment complexes receive several sets of 90 gallon recycling containers for community use which are placed near the garbage bins. Residents place their recyclables in these containers generally when they place their trash in the garbage bins. Other proposal options may include larger recycling bins (three cubic yards in size or larger), smaller bins for each floor in multi-story buildings, and distribution of small bins to individual units.

The City will be divided into four "Geographic Sectors" of approximately 35,000 to 40,000 households each. The RFP will solicit proposals to provide service to both the single-family homes and multi-family homes within those geographic sectors. Contracts will be awarded for individual geographic sectors or two sectors combined in one proposed contract area, as designated by the City.

To equalize costs and standardize service levels across sectors and for simplicity, boundaries for the sectors have been tentatively defined taking into account the following factors:

- o total number of household units;
- o comparable socio-economic distribution among the sectors;
- o physical barriers provided by major east-west street arteries.

The geographic sector boundaries as they are preliminarily defined are attached as Attachment B. These boundaries may be revised as

more information becomes available.

The RFP requires that single family residential recycling be provided on the same day as garbage collection. By providing both services on the same day recycling participation and convenience is maximized. Information pertaining to the schedule for residential garbage collection has been requested, but has not been forthcoming from Oakland Scavenger Company's management.

Proposers who are awarded contracts will collect newspaper, glass and metal food and beverage containers, and PET plastic beverage containers, and HDPE plastic milk, water, and juice containers. Proposers will also be required to submit add-on proposals for the collection of mixed paper (magazines, junk mail, corrugated cardboard, phone books, and paper board) and used motor oil.

Successful proposers will not only collect the recyclables, they also will be responsible for the processing and marketing of the materials, for implementing and maintaining a comprehensive public education/outreach program, and for providing detailed reports to the City on a monthly, quarterly, and annual basis.

It is estimated that once this recycling program is fully implemented and if mixed paper is also collected that it will recover approximately 9.9 pounds of material from each household each week. This is equivalent to 37,000 tons of material annually or 22.5 percent of the residential waste stream and 6 percent of the total City waste stream. Without the addition of mixed paper the diversion rates fall to approximately 12 percent of the residential waste stream and 3 percent of the total city waste stream.

ANALYSIS

The development of the Residential Recycling RFP was grounded in several underlying goals and principles. These goals and principles are:

- o providing a cost-effective, convenient and equitable recycling service to all households in the City;
- o the promotion of competition among potential proposers by limiting proposer's exposure to risk, by not requiring unreasonably high bonding and insurance levels, and, most importantly, by the inclusion of different "geographic alternatives" or service districts rather than only allowing citywide proposals;
- o the mitigation of impacts on existing recyclers by

encouraging subcontracting of work to local small businesses and non-profit corporations; and,

- o the continuation of the City's employment guidelines as they relate to affirmative action, local hiring, and Minority Business Enterprise and Women Business Enterprise (MBE/WBE) program compliance.

Proposals will be evaluated on the basis of cost, technical system design, management qualifications and expertise, and local small business participation. A maximum of 20 percent of evaluation points would be awarded to proposals that have as prime contractor, or include as a sub-contractor, a local small business or local non-profit corporation.

Successful proposers will be required to meet employment goals specified by the City's affirmative action program requiring parity of staff composition with the City of Oakland population for defined groups. In addition, the City would encourage successful proposers to meet a residency goal for all new hires of 50% Oakland residents by making the attainment of both residency and affirmative action goals a criteria to be considered in any future proposals or requests for contract extension.

Successful proposers will be required to meet, or document a good faith effort to meet, the MBE/WBE goals for public works contracts of 30% for minority business and 5% for female business.

During the course of the RFP development and drafting a large number of significant issues arose which essentially define the scope of the RFP. They are listed below along with a brief explanation. They are:

1. Types of Commodities Collected. This service will collect newspaper, glass and metal food and beverage containers, PET plastic beverage containers, and HDPE plastic milk, water, and juice containers. Proposers will also submit add-on proposals for the collection of mixed paper (junk mail, magazines, paper board, phone books, and corrugated cardboard) as well as the collection of used motor oil. The materials selected were chosen for their marketability, their impact on reducing the waste stream, and in the case of used motor oil, to reduce its illegal disposal.
2. Frequency of Service. Successful proposers will be required to offer recyclables collection to all residences in his/her service area on a weekly basis. Weekly collection service is consistent with the requirements of Measure D.

3. Service and Cost Equity. All households will receive comparable recycling services except that contractors will provide collection from the backyard or other convenient locations from households where residents are physically unable to set materials at the curbside. Costs will be uniform for single family households regardless of participation. Similarly, costs will be uniform for multi-family units regardless of participation.
4. Service Quality. Successful proposers will be required to provide prompt (within 24 hours) collection service to homes with missed pick-ups, replace a prescribed amount of stolen or damaged recycling bins, and to provide the City on a regular basis a record of all service-related contact with residents to enable the City to monitor the successful proposer's quality of service.
5. Contract Term. The expected contract term will be five years after start of service. The City will reserve the right to negotiate with the contractors to extend the contracts if the provided service has been outstanding. The City will also reserve the right to terminate a contract if a contractor is found to be knowingly landfilling clean recyclables as well as terminate a contract for other non-performance or breach-of-contract issues.
6. Geographic Sectors. As mentioned on page three, the City will be divided into four distinct "Geographic Sectors". The sectors will run from east to west along natural and/or physical boundaries (e.g., major street arteries), will approximately provide socio-economic parity and equal number of households, and if possible, will allow recycling collection on the same day of the week as garbage collection for each household.

Proposers will be able to propose on six different geographic alternatives. These six are composed of the four separate geographic sectors, the combination of the two northern-most sectors, and the two southern-most sectors. Proposers will not be allowed to propose on citywide service. With two or more service providers, the City has a fallback position in case one of the contractors cannot provide the required services. Additionally, with two or more contractors competing on a day-to-day basis for possible contract extensions, the City will receive higher quality service and be in a much better position to receive timely and accurate reports on the recycling service (an important element for meeting the mandates of AB 939).

7. Public Education/Outreach Activities. Each proposer will be required to propose within the RFP a comprehensive public education/outreach program for both single family and multi-family homes. Minimally, proposers will provide a "how to" brochure to residents during the distribution of bins, doorhangers for multi-family units, and a customer service telephone line. The City will provide recycling information line, speaker's bureau, possible additional mailings to residents and coordination of promotional events. Staff will retain final authority on the design and copy of all materials distributed by contractors.
8. Litter Problems. Litter can be a particular problem as a result of scavenging activities. The RFP includes language requiring the successful proposers to collect all material in, overflowing, from, adjacent to, or within five feet of recycling containers or bins.
9. Impacts to Existing Recycling Enterprises. Collection of recyclables is an income source for many Oakland residents as well as several non-profit entities and private businesses. The City will attempt to mitigate the impact on existing recyclers by providing public information material to clarify that donations of materials to individuals, charitable entities and buy-back operations will remain permissible under the program.

The RFP requires proposers to document type and level of mitigation measures to be employed for classes of affected entities. The RFP also states that preference points will be awarded for proposals that subcontract significant work such as collection, processing operations, operation of recycling centers, education and promotion or other work, to local small businesses and/or non-profit corporations.

10. Payment Basis to Contractors. The unit price proposed by the contractor will be based on projected costs and revenues from the sale of recyclable materials. Contractors will be paid monthly on the basis of two different components. The first is payment for service to detached single-family households. Contractors will be paid for each household in his/her service area.

The second payment component is for service to multi-family complexes. Contractors will be paid for each household for which they provide service. Contractors will be required to provide complete documentation to the City on a monthly basis detailing the number of apartment units receiving service.

The per unit payment made to the contractors will be adjusted

August 1, 1991

annually based on a weighted composite index of the Consumers Price Index (CPI) and the Diesel Fuel to Commercial Customers Index of the CPI. This method is frequently used by other jurisdictions and is easy and inexpensive to administer.

11. City/Contractor Risk Sharing. Proposars would be required to submit unit price proposals with and without a City proposed risk sharing plan. The intent of the risk sharing plan is to safeguard the contract in the case of excessive revenue losses due to market fluctuation and to enable the City to equally participate in excessive revenue gains. Proposars may optionally propose prices with an alternative risk sharing plan.

The City's proposed risk sharing plan would provide that the City will share in one half of any portion of revenue increase or decrease due to a price variation for any recyclable commodity in excess of 20% from agreed upon market price indicators for the commodity.

12. Performance Bond Requirement. Existing City ordinances require a performance bond of 50 percent of the value of the contract for contracted services and commodities. For the residential recycling collection service, the City would require a performance bond valued at 25 percent of the City's annual payment to the contractor in order to remove this requirement as a financial barrier to participation in the program for small businesses and existing recyclers.
13. Anti-Scavenging Measures. Scavenging of high-value recyclables is a problem with all curbside recycling programs and it may significantly impact the program revenues and hence contractors' ability to continue providing the service. The City and contractor should provide adequate education materials to residents on how to minimize scavenging. An example of this would be education material encouraging residents to only set out their recyclables on the morning of their scheduled collection day. Staff also believes that an anti-scavenging ordinance and its enforcement may be required as deterrence.

Fiscal Implications

The cost of the program is estimated to be \$1.25 to \$1.75 per household per month, depending upon whether the City accepts add-on proposals for mixed paper and used motor oil. With additional costs for administration of contracts and public education, the

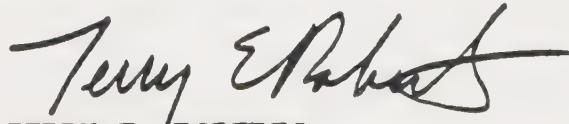
annual City cost of the program may range from \$2.8 million to \$3.2 million. The funding for this program may come from several sources.

Residential rate payers will generate Measure D funds due the City which will partially pay for the program. Initially, Measure D will cover over half of the program costs due to accumulation of funds in FY 1991-92 prior to program start. It is estimated that eventually the percentage of program costs funded by Measure D will drop to 24% after FY 1993-94 due to the decline in allocation to cities provided by Measure D. (On a single family household basis, Oakland residents generate \$.60 in Measure D funds each month for each garbage can collected. An estimated \$.48 per household per month will be received by the City for the period ending March, 1993. The amount will drop to an estimated \$.30 per household per month after March, 1993.)

The remaining funding will depend on garbage service rate increases. Future rate increases may be offset by Measure D revenues generated by the commercial rate base, and possibly, savings to the City from conversion to curbside residential garbage collection service. A review of garbage service costs currently being conducted by the Joint Refuse Rate Review Committee will be used to further assess potential savings due to changes in garbage collection and operations.

Conclusion

It is recommended that Council direct the staff to issue the Residential Recycling Collection Service RFP by September 4, 1991 in order that proposals can be submitted, evaluated, and contracts awarded in February 1992 with service initiated by July 1, 1992.



TERRY E. ROBERTS
Director of Public Works

APPROVED AND FORWARDED
TO THE CITY COUNCIL

Office of the City Manager

SUMMARY OF PROVISIONS OF THE RESIDENTIAL RECYCLING
COLLECTION SERVICE REQUEST FOR PROPOSALS

Service Parameters

- o Provided to all single family households and available to all multi-family households with the cooperation of the building owner/manager. Use of the service is on a voluntary basis. Residents who wish to donate recyclables to volunteer or charitable organizations or sell them to buy-back centers may do so.
- o Contracts to be awarded in February 1992 with curbside service to begin July 1, 1992.
- o Weekly service (required under Measure D) - on same day of week as garbage collection.
- o Collected materials: old newspaper, metal and glass food and beverage containers, PET and HDPE plastic containers, and potentially, mixed waste paper and used motor oil.
- o Single family households (those in buildings of four units or less) will receive a recycling bin of approximately 14 gallons in volume. Weekly, residents will place the bin at the curb or streetside for collection of recyclables. All recyclables will be in one container except newspapers, mixed waste paper, and used motor oil which would be put out separately.
- o Multi-family households (those in buildings of five units or more) will receive community recycling bins of a size and location to be determined by the building manager/owner, contractor, and City.
- o To promote competition, the City will be divided into four distinct Geographic Sectors which will be approximately equal in number of households (approximately 40,000) and have socio-economic parity. Individual proposers will not be awarded any more than two geographic sectors, i.e., the City may award from 2 to 4 contracts.
- o Contractors will be required to provide comprehensive public education and awareness material for both single family and multi family households. The City will retain final authority on all outreach and education materials.

- o The City will establish a telephone Recycling Hotline.
- o Contractors will be required to provide detailed monthly, quarterly, and annual reports detailing tonnages collected, salvage revenues, households served, participation rates, and other route and collection information.
- o Contractors must provide backyard, alley, or porch service to residents physically unable to carry recyclables to the curbside.

Payment and Contract Issues

- o The estimated net service cost is \$1.25 to \$1.75 per household per month after accounting for sales of recyclables.
- o Contractors will be paid monthly at a per household rate for both single family service and documented service to multi-family households.
- o The per unit payment made to contractors will be subject to annual adjustments for inflation based on Bay Area consumer price indices.
- o Proposers will be required to provide price proposals with and without a risk sharing mechanism.
- o Payments to contractors by the City will be funded by Measure D funds and appropriate garbage rate increases. Any rate increases will be uniformly distributed among households.
- o Contracts will be awarded for a term of five years. The City and the contractors may agree to extend the agreements for up to three consecutive two-year periods.
- o Successful proposers will be required to provide a performance bond equal to 25 percent of the annual contract value.
- o Contractors will be required to pay prevailing wages to employees.

Policy Issues

- Proposers must provide an analysis of any positive or negative impacts on existing recycling businesses as a result of their service and demonstrate a commitment to mitigate any negative impacts.
- Contractors will be required to comply with the City's employment goals as they relate to MBE/WBE (30% and 5%) and affirmative action hiring.
- A local hiring goal of 50 percent for new hires will be established.
- Proposals made by local small businesses or local non-profit corporations, or those which use local small businesses or non-profits as sub-contractors, will be awarded a maximum of 20 percent of the total points available during the evaluation process.

Proposal Evaluation

- Proposals will be evaluated by criteria under the following classifications: Technical system design; marketing experience and ability; public awareness campaign; multi-family building outreach program; management; project schedule; consideration of RFP and/or City policies; and cost/financial.

RESIDENTIAL RECYCLING RFP

GEOGRAPHIC SECTORS DESCRIPTION

SECTOR A

The preliminary boundaries of Sector A are as follows: The South boundary is Broadway, 40th Street, Monte Vista Avenue, the North border of Piedmont, Moraga Avenue, and Thornhill Drive; the Northern, Eastern, and Western borders are the Oakland City limits. Approximately 39,500 households are in Sector A.

SECTOR B

The preliminary boundaries of Sector B are as follows: The Northern boundary is Broadway, 40th Street, Monte Vista Avenue, the South and East borders of Piedmont, Moraga Avenue, and Thornhill Drive; the South border is the Lake Merritt Channel, Lakeshore Avenue, East 18th Street, Park Blvd., Interstate 580, Fruitvale Avenue, MacArthur Blvd., Lincoln Avenue, and Joaquin Miller Road; the East and West borders are the Oakland City limits. Approximately 37,600 households are in Sector B.

SECTOR C

The preliminary boundaries of Sector C are as follows: The Northern boundary is the Lake Merritt Channel, Lakeshore Avenue, East 18th Street, Park Blvd., Interstate 580, Fruitvale Avenue, MacArthur Blvd., Lincoln Avenue, and Joaquin Miller Road; the Southern boundary is High Street, Interstate 580, and Keller Avenue; the East and West borders are the Oakland City limits. Approximately 39,100 households are in Sector C.

SECTOR D

The preliminary boundaries of Sector D are as follows: The Northern boundary is High Street, Interstate 580, and Keller Avenue; the Southern, Eastern, and Western borders are the Oakland City limits. Approximately 38,600 households are in Sector D.



PRELIMINARY
RESIDENTIAL RECYCLING
GEOANALYSIS SECTIONS

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